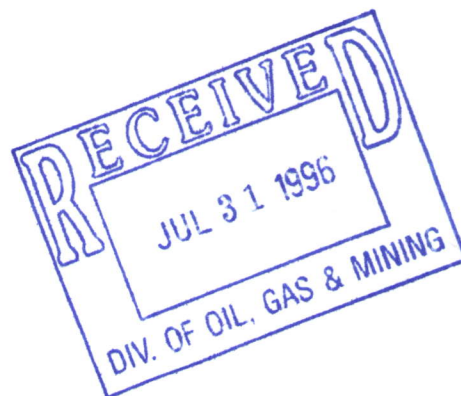


M/047/032



DOGM  
MINERALS PROGRAM  
FILE COPY

July 31, 1996



**HAND DELIVERED**

Tony Gallegos, Reclamation Engineer  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Re: Uintah County Notice of Intention to Revise  
Mining Operations, Asphalt Ridge

Dear Mr. Gallegos:

You have requested additional information with respect to the above referenced matter. Previously we delivered to you a supplemental map showing the "Proposed New County Area," the "Proposed Berm," among other things. Attached to this letter is a copy of a portion of that map showing the matters discussed below in this letter.

Recently, Uintah County Road Supervisor, Lonnie Hogan, approached our company to request a business arrangement to excavate river bed rock (apparently from an ancient river) on our leased land. With the permission of our lessor, we agreed to allow Uintah County to remove and crush the river bed rock for use in its road paving operations. The rock in question is disseminated throughout a portion of the "Proposed New County Area" shown on the attached map copy. Uintah County has recently approved our Conditional Use Permit Application to allow this river bed rock to be excavated.

The river bed rock is disseminated throughout what we loosely refer to as the top soil. On the entire parcel, the top soil comprises approximately 1 to 2 1/2 feet of the overburden. Under the top soil is a sand stone cap rock which also must be removed before we can reach the tar sands ore body. However, until your office has approved the mining application, we do not intend to disturb the sand stone cap rock. What we would like to do now is excavate the overburden, remove the river bed rock for crushing, and stockpile the top soil in the area shown on the attached map as the "Proposed Berm."

Tony Gallegos, Reclamation Engineer  
July 31, 1996  
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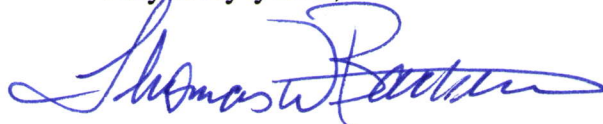
The top soil would be segregated and separate from any other berm material, so that we can easily access this top soil for future reclamation purposes.

We estimate that we would disturb approximately 6 acres within the 10 acre "Proposed New County Area" to recover the river bed rock. I have outlined on the enclosed map the area we propose to disturb. We anticipate that approximately 12,000 ton of river bed rock will be removed from the site and will not then be available for any reclamation. However, all top soil and other remaining materials will be separated from the river bed rock and remain available for reclamation under the plan to be approved by your office.

We would like to begin the operation for removal of the river bed rock immediately since we have the equipment on site and ready to go. Technically, sand and gravel operations do not require the approval of your office, but we are seeking your acknowledgment of this proposed activity since we have applied for the right to remove the top soil and cap rock with your office. We believe that it is important to give you all the information involving our activities on the land so that you may properly evaluate our mining applications.

Please let me know if you have any questions.

Very truly yours,



Thomas W. Bachtell  
President

TWB:cs  
Enclosure  
cc: Lonnie Hogan



